7 November 2019

Aston Martin Lagonda Global Holdings plc

Results for the nine months to 30 September 2019

Challenging trading conditions persist; DBX is progressing well – launches 20 November

£m	**YTD 2019**	**YTD 2018**	***change***	**Q3 2019**	**Q3 2018**	***change***
Total wholesale volumes[1]	**3,939**	**4,075**	***(3%)***	**1,497**	**1,776**	***(16%)***
Revenue	657.2	707.3	*(7%)*	250.1	282.4	*(11%)*
Adjusted EBITDA[2]	**69.7**	**160.3**	***(57%)***	**47.7**	**54.4**	***(12%)***
Adjusted operating (loss) / profit[2]	**(21.8)**	**91.5**	**-**	**13.4**	**27.1**	***(51%)***
Operating (loss) / profit	**(27.2)**	**89.7**	**-**	**10.5**	**25.3**	***(58%)***
(Loss) / profit before tax	(92.3)	23.9	-	(13.5)	3.1	-

[1] Number of vehicles including specials, excludes 44 motorsport race car sales in 2019 (2018: nil); [2] For definition of alternative performance measures please see Appendix page 8

"Tough trading conditions, particularly in the UK and Europe, persist and whilst retail sales have grown 13% year-to-date, wholesale volumes remain under pressure. We remain pleased with the performance of DB11 and DBS Superleggera, however, the segment of the market in which Vantage competes is declining, and notwithstanding a growing market-share, Vantage demand remains weaker than our original plans. As a consequence, total wholesale volumes are down year-on-year as we balance growth, brand positioning and dealer inventories. Additionally, we are taking actions to control our costs through an efficiency programme.

DBX development is progressing well, with the global launch in Beijing on 20 November. The first production trial build has been completed, and St Athan commissioned, with start of production due in Q2 2020 as planned. We are delighted with the early reception the car has received from customers and initial orders are being placed at the confidential events. The launch of Vantage AMR and Roadster are also on track, and all 19 DB4 GT Zagato Continuations are planned to be delivered by the end of this year. We are working hard to deliver the year as we head into our peak trading season."

Dr Andy Palmer, Aston Martin Lagonda President and Group CEO

Key results – three months to 30 September 2019

- Revenue was £250m with core wholesales down 16%; The launch of Vantage and DBS Superleggera in the prior year drove a near doubling of wholesale unit growth in Q3 2018
- UK and EMEA continued to be soft, down 22% and 17% respectively, but both improved versus Q2 despite tougher comparatives; The Americas continued to grow, up 2% despite exceptionally strong growth in the prior year (+185%); APAC softened, down 34% (+134% in the prior year)
- Adjusted EBITDA of £48m benefitted from the positive impact of Specials, including six DB4 GT Zagato Continuations, this was offset by core model mix, geographic mix and the costs of an improved retail financing offer
- Operating cash generation of £48m improved from an outflow of £26m in Q2

Key results – nine months to 30 September 2019

- Retails were up 13% with an improved market share in our segment which itself is outperforming the wider auto industry
- Revenue was £657m driven lower year-on-year by fewer wholesale units (total -3%; core -2%), the impact of a greater mix of Vantage and fewer Specials
- Adjusted EBITDA of £70m, included a one-off £19m provision in the first half for a doubtful debt relating to the sale of legacy Intellectual Property. Excluding this, adjusted EBITDA was £89m reflecting lower wholesales, costs of an improved retail financing offer, lower Average Selling Price (ASP), planned costs of expansion, and fewer Specials

- Operating cash generation was £69m with an inventory outflow ahead of peak deliveries in Q4 and in anticipation of the United Kingdom's exit from the European Union
- Capex spend was £255m as we finalise investment in St Athan and continue investment in future products; The majority of DBX spend is now complete
- Net debt was £800m with leverage of 5.5x LTM (last 12 months) adjusted EBITDA
- $150m Senior Secured Notes were issued post quarter-end, with the option to draw an additional $100m to improve financial flexibility

Outlook

- As we head into the peak delivery period for both core and Specials, despite lower volumes and continuing macro uncertainties, we expect to meet market financial expectations for FY 2019
- We see pressure on volumes continuing into the end of the year and now expect total wholesales to be lower than previously guided, but within the range of market expectations
- We are taking actions to control our costs through an efficiency programme
- As we review our plans, we continue to plan prudently for FY 2020 and will provide a further update when we report our FY 2019 results in February 2020

Product expansion continues

- The first production trial of DBX is complete with the second production trial starting later this month; Initial orders are being placed at customer confidential events; The global launch is on 20 November in Beijing
- Deliveries of DBS Superleggera Volante, awarded Sunday Times Sports Car of the Year, commenced in Q3 and Vantage AMR (manual transmission) deliveries start in Q4; Vantage Roadster images have been revealed, with deliveries starting in Spring 2020
- The remaining 13 DB4 GT Zagato Continuations are planned to be delivered by year-end; the second car of the Zagato Centenary pair, the DBS GT Zagato, has been revealed with deliveries in H2 2020
- Four Aston Martins will feature in the next James Bond film, which is due for release in H1 2020

The financial information contained herein is unaudited.

All metrics and commentary in this announcement exclude adjusting items unless stated otherwise and certain financial data within this announcement have been rounded.

Enquiries
Investors and Analysts

Charlotte Cowley	Director of Investor Relations	+44 (0)7771 976764 charlotte.cowley@astonmartin.com
Media		
Kevin Watters	Director of Communications	+44 (0)7764 386683 kevin.watters@astonmartin.com
Grace Barnie	Corporate Communications Manager	+44 (0)7880 903490 grace.barnie@astonmartin.com
Brunswick		
Dan Roberts, Andrew Porter, Diana Vaughton		+44 (0)20 7404 5959 astonmartin@brunswickgroup.com

- There will be a call for investors and analysts today at 08:30am
- The conference call can be accessed live via a dial-in facility on +44 3333 000 804; PIN: 87372310#, please find more details on the corporate website https://www.astonmartinlagonda.com/investors/calendar
- A replay facility will be available on the website later in the day
- Preliminary Results for the twelve months to 31 December 2019 will be announced on 27 February 2020
- Please find current market expectations, updated on 30 October 2019, on our corporate website here: https://www.astonmartinlagonda.com/investors/consensus

No representations or warranties, express or implied, are made as to, and no reliance should be placed on, the accuracy, fairness or completeness of the information presented or contained in this release. This release contains certain forward-looking statements, which are based on current assumptions and estimates by the management of Aston Martin Lagonda Global Holdings plc ("Aston Martin Lagonda"). Past performance cannot be relied upon as a guide to future performance and should not be taken as a representation that trends or activities underlying past performance will continue in the future. Such statements are subject to numerous risks and uncertainties that could cause actual results to differ materially from any expected future results in forward-looking statements. These risks may include, for example, changes in the global economic situation, and changes affecting individual markets and exchange rates.

Aston Martin Lagonda provides no guarantee that future development and future results achieved will correspond to the forward-looking statements included here and accepts no liability if they should fail to do so. Aston Martin Lagonda undertakes no obligation to update these forward-looking statements and will not publicly release any revisions that may be made to these forward-looking statements, which may result from events or circumstances arising after the date of this release.

This release is for informational purposes only and does not constitute or form part of any invitation or inducement to engage in investment activity, nor does it constitute an offer or invitation to buy any securities, in any jurisdiction including the United States, or a recommendation in respect of buying, holding or selling any securities.

BUSINESS REVIEW – Nine months to 30 September 2019

Trading has been challenging, particularly for Vantage and in the UK and Europe, and the external macro-economic environment remains uncertain.

There is intense focus on preparing for the launch and delivery of DBX, our first SUV. The first production trial, building cars end-to-end, at our new St Athan facility is complete in line with our plan. There are currently over 300 employees based at St Athan, with these numbers planned to double ahead of the start of production in Q2 2020. The official opening of St Athan is on 6 December.

We first showed DBX to customers in August at Monterey Car Week, and subsequent invitation only viewings started in October. We are very pleased with the reception the car has received and initial orders are being placed at customer events. The global unveil is on 20 November in Beijing, with a simultaneous event in Los Angeles, when the dealer order book will formally open.

We continue to expand our core sports car offering with deliveries of the DBS Superleggera Volante, the highest positioned of our current core cars, ramping-up from the third quarter. This car also won the Sunday Times Sports Car of the Year award. The segment of the market in which Vantage competes is declining, and notwithstanding a growing market-share[1], Vantage demand remains weaker than our original targets. Improved retail financing and launches of new variants, particularly the Roadster in 2020, are planned to support volume growth. The first images of the Vantage Roadster were recently released, with the car available in Spring 2020. The fourth quarter will see the delivery of the Vantage AMR, the first manual variant of the new Vantage, in one description “Heightened engagement and assertive action of a manual gearbox adds hugely to the Vantage's appeal”.

Demand for Specials continues to be strong. Deliveries of our most expensive new car, the DB4 GT Zagato Continuation, have commenced (six cars) with the remaining 13 scheduled for delivery by the end of the year. The second half of the Aston Martin DBZ Centenary Collection, the DBS GT Zagato has been revealed and will be delivered in the second half next year. The ramp-up of the Aston Martin Valkyrie is expected to reach run-rate maturity of deliveries in the second half of 2020.

Deliveries of the 25 iconic *Goldfinger* DB5 Continuations will commence in the second quarter of 2020 coinciding with the release of the 25th instalment of the James Bond franchise. Four of our cars will feature in the film, the classic DB5 and V8 Saloon, along with the new DBS Superleggera and Valhalla.

Sales and Revenue

In the nine months ended 30 September 2019, retails (+13%) led wholesales (-3%), as we took share in the luxury sports car market and managed the dealer inventory position. In the third quarter, we hit the anniversary of the full impact of the Vantage and DBS Superleggera launches. These drove last year’s particularly strong, near doubling of wholesales and retail growth of over 50%; wholesales were down 16% and retails down 6% in Q3 2019.

Regionally, year-to-date wholesale momentum in the Americas (+25%) and a flat performance in APAC, with China up 15% was offset by softer trends in the UK and Europe, down 19% and 18% respectively. In the third

[1] YTD 2019 versus YTD 2018 based on latest publicly available data

quarter, against the exceptionally strong performance in Q3 in the prior year +185%, Americas posted 2% growth. The UK and EMEA improved versus Q2 despite a tougher comparative but both declined. APAC slowed, down 34% against 134% growth in Q3 2018.

Fewer Specials in the first nine months (47 vs 110 in the prior year) contributed to a lower group ASP of £147k down from £157k in the prior year. The six DB4 GT Zagato Continuations delivered in the third quarter boosted group ASP for the quarter to £151k (2018: £144k). Core ASP year-to-date was £136k (2018: £140k) principally driven by the retail financing offer partially offset by strength in DBS Superleggera Coupe and the launch of the Volante building from the third quarter.

Total revenue year-to-date was £657m, down 7%.

Income statement

Profit was impacted by the £19m provision taken in the first half, relating to the sale of legacy Intellectual Property. Excluding this provision, adjusted EBITDA was £89m, with a margin of 13%. This included a £7m foreign exchange benefit, primarily due to USD:Sterling movements, and a £10m benefit from the first-time adoption of IFRS 16. Third quarter adjusted EBITDA of £48m included the benefit of the high value Specials delivered in the quarter.

Adjusted operating expenses year-to-date were up £31m with over 70% of the year-on-year increase due to higher depreciation and amortisation (£92m vs £69m) reflecting the expanded range of core sports cars selling and the impact of IFRS 16. The balance of the increase primarily reflects DBX and St Athan costs; higher marketing and motorsport spend in addition to first-time PLC related costs. Adjusted operating loss year-to-date was £22m (2018: £91m profit).

Adjusting operating items of £5m predominantly relate to pre-IPO long-term employee incentives, disclosed previously, in addition to re-structuring costs of £2m as we seek efficiencies across the business.

Net financing costs of £65m in the first nine months were broadly unchanged year-on-year. This included a one-off £7m adjusting finance expense relating to cross currency forward exposures not eligible for hedge accounting booked in the first half. Excluding this, net adjusted financing costs of £59m reflected the benefit from the conversion of Preference Shares to Ordinary Shares at IPO, partially offset by a foreign exchange headwind on unhedged USD borrowings. After these charges, adjusted loss before tax for the nine months was £80m (2018: £26m profit) and loss before tax was £92m (2018: £24m profit).

The effective tax rate for the year is estimated to be c.21% which is the rate that has been applied for the nine-month period. The tax credit of £19m reflects tax on adjusting items as appropriate and the loss in the period. With 228m shares in issue, adjusted diluted EPS was negative 29p, diluted EPS negative 34p.

Cash flow and net debt

Net cash inflow year-to-date from operating activities was £69m. Net working capital movements for the period were broadly neutral with a receivables inflow combined with tight management of payables resulting in a positive cash movement of £101m. This inflow was offset by a £91m inventory outflow relating to higher finished goods and stock in plant ahead of wholesale deliveries expected in the fourth quarter, and additional stock held in anticipation of the United Kingdom’s expected departure from the European Union.

Capital expenditure was £255m, with the majority of DBX and St Athan spend now complete and reflects the timing of product launches and R&D spending on new programmes.

The private placement of $190m on 1 April 2019 of Senior Secured Notes represents the majority of the £148m inflow from financing. The cash balance at 30 September 2019 was £110m.

Net debt of £800m[2] was up from £560m at 31 December 2018, but down from £811m at 30 September 2018 primarily due to Preference Share conversion at IPO. The increase in net debt over the period reflects the sources and uses of cash detailed above, particularly the phasing of cash generation and investment in the new plant and future products through the year. The increase in adjusted leverage[3] to 5.5x LTM adjusted EBITDA from 2.3x at 31 December 2018 reflects additional financing raised in the first nine months of the year and short-term borrowings alongside a lower LTM adjusted EBITDA year-on-year.

A private placement of $150m of Senior Secured Notes due April 2022 and the potential for an additional $100m of Delayed Draw Notes[4] was announced on 25 September 2019. The issue of these notes closed after the period end (8 October 2019). The proceeds of the transaction have been used to repay short-term borrowings of £90m, including the RCF mentioned above, and related transaction fees, with the balance improving short-term liquidity in this intense period of ongoing investment. The company will continue to keep its strategic financing options under review as required.

Outlook

As we head into the peak delivery period for both core and Specials, despite lower volumes and continuing macro uncertainties, we expect to meet market financial expectations for FY 2019 (reflecting the updated interest guidance below). We see pressure on volumes continuing into the end of the year and now expect total wholesales to be lower than previously guided, but within the range of market expectations. We are taking actions to control our costs through an efficiency programme. As we review our plans, we continue to plan prudently for FY 2020 and will provide a further update when we report our FY results in February 2020.

Net interest expense guidance for 2019 is c.£83m reflecting the recently issued $150m of Senior Secured Notes in addition to the impact of unhedged USD interest expenses (prior guidance c.£70m). This interest guidance assumes current USD:Sterling rates prevail for the remainder of the year.

Capital expenditure for 2019 is still expected to be c.£300m and for the full year 2020 is not expected to exceed £350m.

[2] Net debt including £116m lease liabilities as per IFRS 16 first time adoption was £915m

[3] LTM adjusted EBITDA excludes the £10m benefit from first time adoption of IFRS 16 in YTD as at 30 Sep 2019

[4] The Delayed Draw Notes ("DDNs") may be drawn, subject to certain conditions, on the same terms as other senior secured obligations of the group at an interest rate of 12% per annum. If these conditions are not met, the DDNs may be drawn as unsecured obligations at an interest rate of 15% per annum. Interest will accrue at the rate of 6% per annum as cash interest plus either 6% per annum (if secured) or 9% per annum (if unsecured) paid in kind. The group's ability to draw the DDNs is conditional on the receipt of 1,400 firm orders for DBX vehicles. If this condition is not met by July 8, 2020 (nine months from their issue of the DDNs), the DDNs will not be issued

APPENDICES

Wholesale volumes by region

	YTD 2019	YTD 2018	Q3 2019	Q3 2018
UK	949	1,173	384	490
Americas	1,301	1,041	601	587
EMEA ex. UK	738	905	248	298
APAC	951	956	264	401
Total	**3,939**	**4,075**	**1,497**	**1,776**

Note: Number of vehicles including specials, excludes 44 motorsport race car sales in 2019 (2018: nil)

Summary Income Statement

£m	YTD 2019	YTD 2018	Q3 2019	Q3 2018
Revenue	**657.2**	**707.3**	**250.1**	**282.4**
Cost of sales	(413.4)	(420.5)	(154.2)	(176.0)
Gross profit	**243.8**	**286.8**	**95.9**	**106.4**
Gross margin	*37.1%*	*40.5%*	*38.3%*	*37.7%*
Operating expenses[1]	(246.6)	(215.3)	(82.5)	(79.3)
of which depreciation & amortisation	*91.5*	*68.8*	*34.3*	*27.3*
Other (expense) / income	(19.0)	20.0	-	-
Adjusted operating (loss) / profit	**(21.8)**	**91.5**	**13.4**	**27.1**
Adjusted operating profit margin	*(3.3%)*	*12.9%*	*5.4%*	*9.6%*
Adjusting operating items	(5.4)	(1.8)	(2.9)	(1.8)
Operating (loss) / profit	**(27.2)**	**89.7**	**10.5**	**25.3**
Net financing expense	(65.1)	(65.8)	(24.0)	(22.2)
of which adjusting financing items	*(6.6)*	-	-	-
(Loss) / profit before tax	**(92.3)**	**23.9**	**(13.5)**	**3.1**
Taxation	19.4	(7.7)	3.4	1.6
(Loss) / profit for the period	**(72.9)**	**16.2**	**(10.1)**	**4.7**
Adjusted EBITDA	**69.7**	**160.3**	**47.7**	**54.4**
Adjusted EBITDA margin	*10.6%*	*22.7%*	*19.1%*	*19.3%*
Adjusted (loss) / profit before tax	**(80.3)**	**25.7**	**(10.6)**	**4.9**
EPS (pence)[2]	(33.8)	5.1	(5.8)	0.9
Adjusted EPS (pence)[2]	**(29.4)**	**5.9**	**(4.8)**	**1.7**

[1] Excludes adjusting items [2] EPS is presented on a diluted basis

Summary Cash Flow

£m	YTD 2019	YTD 2018	Q3 2019	Q3 2018
Cash generated from operating activities	68.9	151.5	48.1	89.5
Cash used in investing activities	(250.5)	(219.8)	(91.5)	(69.7)
Cash inflow from financing activities	147.8	(13.2)	26.8	(6.0)
Effect of exchange rates on cash and cash equivalents	(0.9)	0.4	(0.4)	1.4
Net cash (outflow) / inflow	(34.7)	(81.1)	(17.0)	15.2
Cash balance	**109.9**	**86.7**	**109.9**	**86.7**

Net Debt Overview

£m	30-Sep-19	30-Jun-19	31-Dec-18	30-Sep-18
Senior Secured Notes	751.7	734.9	590.9	583.1
Unsecured loans	0.4	0.9	1.4	1.4
Bank loans and overdrafts	157.6	123.1	111.8	25.0
Preference shares	-	-	-	287.8
Gross Debt	**909.7**	**858.9**	**704.1**	**897.3**
Cash balance	109.9	126.9	144.6	86.7
Net debt[1]	**799.8**	**732.0**	**559.5**	**810.6**
Preference share adjustment[2]	-	-	-	(287.8)
Net debt adjusted for preference shares	**799.8**	**732.0**	**559.5**	**522.8**
Adj. leverage[3]	5.5x	4.7x	2.3x	2.1x

[1] Excluding first time adoption of IFRS 16 lease liabilities (30 September 2019: £116m; 30 June 2019: £112m); [2] Preference shares, which were converted into ordinary shares at IPO, are included in borrowings in 2018; [3] LTM adjusted EBITDA excludes the benefit from first time adoption of IFRS 16 (30 September 2019: £10m; 30 June 2019: £7m)

Summary Balance Sheet

£m	30-Sep-19	30-Jun-19	31-Dec-18	30-Sep-18
Non-current assets	1,674.9	1,601.6	1,418.6	1,332.2
Current assets	563.7	571.3	551.6	424.8
Total assets	**2,238.6**	**2,172.9**	**1,970.2**	**1,757.0**
Current liabilities	944.8	861.3	790.3	615.2
Non-current liabilities	931.9	923.1	730.5	999.6
Total liabilities	**1,876.7**	**1,784.4**	**1,520.8**	**1,614.8**
Total equity	**361.9**	**388.5**	**449.4**	**142.2**

Alternative performance measures

In the reporting of financial information, the Directors have adopted various Alternative Performance Measures ("APMs"). APMs should be considered in addition to IFRS measurements. The Directors believe that these APMs assist in providing useful information on the underlying performance of the Group, enhance the comparability of information between reporting periods, and are used internally by the Directors to measure the Group's performance.

- Adjusted EBT is the profit / (loss) before income tax and adjusting items
- Adjusted EBIT is profit / (loss) from operating activities before adjusting items
- Adjusted EBITDA removes depreciation, loss / (profit) on sale of fixed assets and amortisation from adjusted EBIT
- Adjusted Earnings Per Share is (loss)/profit after income tax before adjusting items, divided by the weighted average number of ordinary shares in issue during the reporting period
- Net Debt is current and non-current borrowings less cash and cash equivalents, excluding any impact of IFRS 16
- Adjusted leverage is represented by the ratio of Net Debt, adjusted for Preference Shares, to the last 12 months adjusted EBITDA excluding any benefit from the first-time adoption of IFRS 16